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IN THE MATTER OF The Public Inquiries Act
being Chapter 258 of the Revised Statutes
of Alberta, 1955; and

IN THE MATTER OF an Inquiry into the ad-
ministration, management and financial
affairs of the Lethbridge Central Feeder's
Association Limited, and the general
operation in respect to the participation
of the members therein.

P R O C E E D I N G S

at a Hearing held before

HIS HONOUR JUDGE L. SHERMAN TURCOTTE

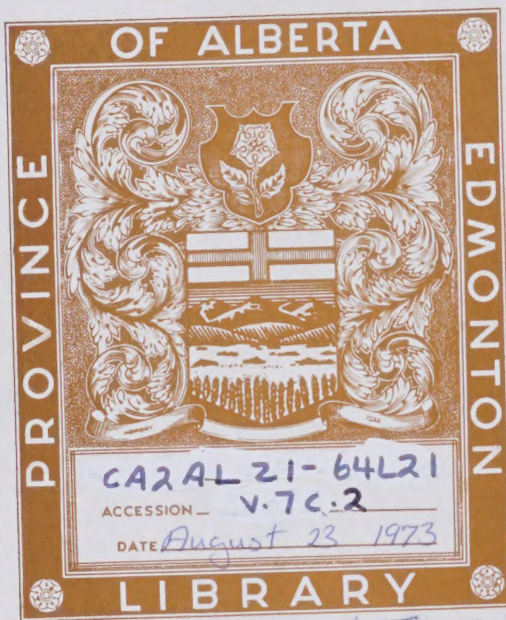
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I N D E X

PROCEEDINGS TAKEN JANUARY 6, 1965:

WITNESSES:

JOHN PEREVERZIFF: (RECALLED)

Direct Examination. 911

CLIFFORD PETERSON (RECALLED)

Direct Examination. 918

RAY WILLIAM JOHANSEN:

Direct Examination. 920

Cross Examination by Prowse 942

HERBERT BISHOP:

Direct Examination. 942

Cross Examination by Mr. Prowse 958

ELMER WILDE:

Direct Examination. 965

JOHN JANZ:

Direct Examination. 973

GLEN S. MEEKS:

Direct Examination. 977

Cross Examination by Mr. Prowse 991

REX MEEKS:

Direct Examination. 991

JOHN WILLIAMS (RECALLED)

Direct Examination. 1014

WILLIAM MEEKS:

Direct Examination. 1018

EXHIBITS:

F-6....Vouchers re Ray Johansen account. 918
F-7....Vouchers re Bishop & Sons account 918
F-9a...Vouchers re Noel Brandley account 919
F-9b...Vouchers re Noel Brandley account 919
F-10...Vouchers re E. W. Hinman account 919

PROCEEDINGS TAKEN JANUARY 6th, 1965

MR. WEIR: Your Honour, would you like me to call Mr. Pereverziff first?

THE COURT: Yes. And then Mr. Peterson just to identify the new exhibits. I think that you should call Mr. Pereverziff first.

JOHN PEREVERZIFF, having already been duly sworn, recalled, examined by Mr. Weir, testified as follows:

THE COURT:

Q Mr. Pereverziff, you remember yesterday you took the oath to tell the truth?

A Yes.

Q And that oath is still binding on you today?

A Yes.

MR. WEIR:

Q Go ahead.

A A cheque of February the 13th, 1962, and the number is D1945. That cheque was made out for \$2,430.81, payable to Fruehauf Trailer. It is made out to me, and signed on the back by Fruehauf Trailer Company.

Q So this cheque went to Fruehauf Trailer?

A Yes. On March 29th, 1963, there was a cheque made out for \$3,000.00, and the number was D2425, and made out to Central Livestock Cartage. And that cheque, there, is the bill that it represents for

\$3,000.00, and it was deposited in this account on March the 29th, 1963. These cheques are more, that comes up to date, or these cheques there are more than the amount, \$4,261.09, but there is deposits of \$1,469.50, and also an overdraft in here. The third cheque, May 16th, 1963, made out for \$2,400.00, and that is made out to Central Livestock Cartage, and the number on that is D24265. That also was deposited in Central Livestock Cartage account on May the 16th.

Q Yes. I see that.

A Now, I didn't bring the cheques for that.

Q What was this money used for?

A For expenses. It is all in there. You didn't ask for these, but I could bring them. And the fourth cheque was made out for \$2,093.00 on April 30th, 1963, and made out directly to me, and the number is 2455, and it was a cheque that I cashed, and that was cashed and the money taken to the license bureau for license plates.

Q So all of this cash was used to buy licenses?

A Yes. I could give you the exact amount to cover that from the license office. I could get the exact amount for you. It took all that money.

Q It took this full sum, or at least approximately \$2,093.00 to pay for your licenses?

A Yes. I could break it down for you.

Q As a matter of curiosity why was this particular cheque of April the 30th, 1963, paid to you personally rather than

Central Livestock Cartage?

A Well, I don't know. I could have taken that cheque and certified it and taken it to the license office, or I could have got five certified cheques and took them down to the license office.

Q No no. I am wondering what explanation for the cheque being made payable to you personally rather than Central Livestock Cartage. The cheque before this one was to Central Livestock Cartage?

A There were two made out to Central Livestock Cartage.

Q The one of March the 29th, 1963, was to Central Livestock Cartage, and this one of April the 30th, 1963, was to you personally. You can't think of any explanation for it?

A No.

Q And this last one here is marked "Fruehauf Trailer"?

A Yes.

THE COURT: Now, have you the Holding Pen cheque there? Do you have the Holding Pen cheque?

MR. WEIR: Just one--- Just which one?

THE COURT: You remember the cheque that we were talking about when we left here last night. We had it last night. You should have it there. We looked it up here and we said that we would get the \$2,068.00 cheque. I think that is the amount. Yes, April the 5th, Holding Pens. It was a cheque to take the place of this one, Mr. Weir.

MR. WEIR: Yes, I recall. I recall which cheque you mean, Your Honour. I seem to have misplaced it.

THE COURT:

Q Mr. Pereverziff, that cheque did go to Fruehauf?

A Yes.

Q And as I remember it there is something on the back setting it out?

A Yes. This is marked on the back of the cheque.

Q Is that the cheque?

A There is one here that is mine. This one is made out directly to Fruehauf. It is marked on the cheque.

Q That is the one we are looking for.

MR. WEIR: That explains why it is not on my desk.

THE COURT:

Q You remember yesterday, Mr. Pereverziff, you told us that there was only one cheque to Fruehauf?

A This one is marked "Fruehauf" on the back too.

Q And what is the reason for that?

A I don't know.

Q What date is that?

A This one if February the 13th.

Q Of what year?

A 1962.

Q That is when you bought the trailer, isn't it?

A No, I bought the trailer in the fall.

Q Of what year?

A Of--- I bought two trailers. I bought one trailer in

1958.

Q Yes.

A And I bought the other one, I believe, in 1962.

Q What is the date of that cheque?

A February 13th, 1962.

Q What is that in payment of?

A That is the arrears on the trailers that would be paid up in February, 1962.

Q When did you buy the other one?

A I bought one in the fall of 1962 and one was bought in 1958.

Q That couldn't have had anything to do with the one in the fall of 1962, that cheque, could it?

A No. This was earlier in the winter.

Q What did that go to Fruehauf for?

A Arrears on the trailers.

Q On the first trailer, the 1958 trailer?

A No, there were two trailers. I had the one trailer that I was using to haul shavings for Lethbridge Central Feeders.

Q When did you buy that?

A When?

Q Yes.

A I had it since 1958.

Q Alright. Why should there be any reason for sending a cheque to Fruehauf in the spring of 1962?

A The trailers were in arrears.

Q What trailers?

A I had two trailers.

Q When did you buy the other trailer?

A I had them both since 1958.

Q Now, you have two trailers?

A Yes, that's right. And they were in arrears and they were brought up to date by Lethbridge Central Feeders for that amount of money.

Q And then you bought another trailer?

A The trailer was traded in on the one trailer and was purchased in 1958.

Q In 62?

A That's right.

Q And then this cheque is on the 62 trailer?

A Yes.

Q In March, 1963?

A Yes. It was paid off in full.

Q Pardon me?

A I believe that was the one that was paid off in full.

Q What do you mean by paid off in full?

A That was the outstanding amount on it, and that was the, that was made out directly to Fruehauf Trailer.

Q About six months after you bought it?

A No, longer than that.

Q You said that you bought it in the fall?

A Yes, I believe the fall of 1962.

Q Did they take it away from you once?

A Yes, they did.

Q And then you got it back again?

A Yes. And that is when the amount here was paid up on both of them.

Q They took this one away from you?

A Yes.

Q There is a little item here of \$45.00 for repossession expense on the back of the cheque?

A Yes.

MR. WEIR:

Q So that you are satisfied that these cheques involving Fruehauf Trailers are legitimate charges?

A Yes.

Q You had some doubt yesterday.

A You showed me a half a dozen different cheques and before I could find out which money was used for license plates I had show which was which, and I done that this morning. You showed me four cheques yesterday.

Q But at least you are satisfied that these two cheques involving Fruehauf Trailers are legitimate?

A Yes, they are.

Q And this one cheque for \$2,092.00 that you cashed, this was for license plates?

A Yes.

Q Well, on May the 4th, 1962, there is a cheque to yourself

for \$1,050.00, and I understood that this was for license plates too.

A In May, 1962?

Q Yes.

A Well, that could be right, because in 1962--- I didn't license those until 1963.

Q So that accounts for the difference in the license fees being approximately double in 1963 over 1962?

A No. This \$2,093.00 takes care of two trailers and three trucks which approximately is \$2,093.00, and I believe that \$1,050.00 was just for one truck and trailer in 1962.

Q That is what I mean. I have no further questions.

MR. PROWSE: No questions.

THE COURT: Thank you.

(WITNESS STANDS DOWN)

CLIFFORD PETERSON, having first been duly sworn, recalled, examined by Mr. Weir, testified as follows:

Q Mr. Peterson, would you identify these exhibits that are in front of you here?

A Yes. These are vouchers supporting the Ray Johansen account.

EXHIBIT NO. F 6

Vouchers re Ray Johansen account.

These are vouchers supporting the entries in the Bishop and Sons account.

EXHIBIT NO. F 7

Vouchers re Bishop and Sons account.

These are vouchers supporting the entries in the Noel Brandley account.

EXHIBIT NO. F 9a
Vouchers re Noel Brandley account.

These are also entries, vouchers supporting the entries in the Noel Brandley account.

EXHIBIT NO. F 9b
Vouchers re Noel Brandley account.

These are vouchers supporting entries in the E. W. Hinman account.

EXHIBIT NO. F 10
Vouchers re E. W. Hinman account.

And these are vouchers supporting entries in the Hin.Hat. Som. account.

EXHIBIT NO. F 11
Vouchers re Hin.Hat.Som. account.

These are vouchers supporting entries in the John Thiessen account.

EXHIBIT NO. F 12
Vouchers re John Thiessen account.

These are vouchers supporting entries in the Moriyama account.

EXHIBIT NO. F 13
Vouchers re Moriyama account.

These are vouchers supporting the Central Cattle Company accounts.

EXHIBIT NO. F 14
Vouchers re Central Cattle Co. account.

Q Do you identify these three cheques and journal book? Cheques and vouchers as being abstracted from the John Thiessen folio

that you just introduced?

A Yes.

Q That is all thank you.

(WITNESS STANDS DOWN)

RAY WILLIAM JOHANSEN, having first
been duly sworn, examined by Mr. Weir, testified as follows:

MR. MARTIN HOYT: Your Honour, I am representing
Mr. Johansen and in view of the fact of litigation arising
I would ask for the protection of both the Canada Evidence
and Alberta Evidence Acts.

THE COURT: The protection of the Canada
Evidence Act and the Alberta Evidence Act will be granted to
Mr. Johansen.

MR. WEIR:

Q Your name is Ray Johansen?

A Yes, Ray William Johansen.

Q And you are from Lethbridge, Alberta?

A Yes.

Q Now, Mr. Johansen, do you recognize these ledger cards in
your name?

A No, I haven't ever seen them. I am a cripple, and I would
like to explain to you how I got into the Association. It
has been physically impossible for me to get into the office,
and Mr. Hatch kept all the records of any dealings I had
with them completely.

Q Did you keep some books of your own?

A All I kept was the amount of money I actually received.

Q I see. And now, would you examine this ledger card for a moment please. Will you see--- You will see there some items involving Mr. Mehew.

THE COURT:

Q Have you a copy of these?

A I had dealings with Mr. Mehew, yes.

Q July 31st, 1958, is that the item?

MR. WEIR: Yes, that is the one I am coming to.

Q Mr. Johansen, on July 31st, 1958, there is a journal entry that goes through as follows. A debit to L. Mehew, N.A.B., \$6400.00. A credit to Ray Johansen, member, \$33,000.00. A credit to the Lethbridge Third Ward of \$2400.00. And then a debit to Johansen and Mehew, \$29,000.00. The one figure referred to in this journal entry of a credit to Ray Johansen appears in Ray Johansen's members card. Now, the one thing that I want to bring out from this particular journal entry is the fact that you received a credit on this particular date of July 31st, 1958, in the sum of \$33,000.00 on your members card, and then there is a reference to another members card, Johansen and Mehew, which suggests to me along with some other entries involving Mr. Mehew on your card, and this other members card marked Johansen and Mehew, that you had some cattle dealings involving Mr. Mehew, a partnership arrangement with Mr. Mehew?

A Yes, I had a deal with Mr. Mehew whereby I was to supply cattle for him and paying him 20 cents a pound for the gain on the cattle.

Q Have you any knowledge as to why in this one journal entry there would be a credit to the Lethbridge Third Ward of \$2400.00?

A It could be--- At that time I was on a building committee, building a church, on which Mr. Hatch was the head of the committee, and one of the projects, I wasn't on that particular project committee, but I was on the central committee, and we had different projects going, and I was on the correlating committee. Now, we had a livestock project. Now, we took project funds, to start with at least, and I have heard recently that he used some Feeders money, but I didn't know that at the time, but we took project money and bought cattle, and he induced a number of different people to take those cattle and feed them, and when they were fat the cattle were returned and sold and the people given a receipt for the gain put on the cattle. In other words they donated their feed and labor to the church building committee. Now, I know that it was reported to the committee that they had some cattle of Mr. Mehew, but I don't know how many cattle it was because I was not on that particular sub-committee.

Q Mr. Mehew has already suggested that he has no knowledge whatsoever concerning this item of \$2400.00 credit, and I

am just wondering if you recall the reason why this would be credited?

A The only reason I can see is that they could, if Mr. Hatch, and I know it was reported to the committee that there were some cattle put with Mr. Mehew to feed. I don't remember how many, but I know there were some put there, and it is possible that that covered it, but I don't know.

Q Did you get a receipt yourself involving this particular \$2400.00?

A No.

Q You did not get this receipt yourself?

A No, definitely not.

Q And there is another item, January 7th, 1960?

A I have been trying to find out something about that myself, and I don't know.

Q You don't know about that item of \$750.00?

A No. The church asked me about it and I don't know.

THE COURT:

Q You made a contribution of \$750.00 that you didn't know anything about?

A I didn't make it. Somebody did. I didn't.

Q It is debited to your account?

A Well, I never got any receipt for it.

MR. WEIR:

Q Neither for the \$750.00 or the \$2400.00?

A No.

Q I don't notice any debit to your account for \$500.00 for membership fees in the Association. Did you pay your membership fee in the Association?

A I presume I did, but I am not in a position to swear I did. I presume I did.

THE COURT:

Q You thought that you did?

A Yes.

Q There is no record whatever in your account of ever having been charged a membership fee that we can find.

A Well, I don't see how I could get in without.

Q There are three trays here of people that did business without. It is not unusual.

A The only way I could be sure of that would be if I go home and go back through my stuff and find out if there is a cheque there for \$500.00 for that purpose.

Q Did you--- Usually they just debit the account with \$500.00.

A Well, that could be. To be honest, Your Honour, it may have gone that way. Normally when I owe a bill I pay it.

Q Yes, I have no doubt about that. I don't know whether this is in evidence or not but I have been told that the bank was after Mr. Hatch in the later years quite often to get you placed on the membership list. I don't know whether Mr. MacLean gave that in evidence or not, but I have been told that.

A It was Mr. Campbell that talked me into the, talked me into joining the Association. I didn't join the Association because I wanted the credit. I have money of my own. I joined the Association for the protection of the services that Campbell explained to me that were available.

Q Fine. Let's go on.

MR. WEIR:

Q Would you hold your ledger card for a minute. Would you look at an entry of October the 5th, 1959?

A October the 5th, 1959?

Q Yes. It is marked "Transfer of cattle \$20,809.06."

A What is that date again?

Q October the 5th, 1959. Do you see this debit here? It is \$20,809.06. Now, this is in connection with a journal entry which debits your account for the sum of \$20,809.06, and it credits the account of J. B. Merrill---

A Who is J. B. Merrill?

Q We will come to that in a minute.

THE COURT:

Q You know the Merrill family don't you Mr. Johansen?

A I know Don Merrill and I know Magrath Merrill.

Q That's right. And you know Magrath's son?

A No I don't.

Q You never heard of him?

A I am not acquainted with Magrath Merrill's family.

MR. WEIR:

Q Now, looking to April the 12th, 1960, do you see this credit put in your account. On April the 12th, 1960, there is another item marked "Transfer of cattle". This one gives a credit to your members account of \$21,859.06. Now, this involves a debit to J. B. Merrill account in that sum, and a credit to your account in that sum. You see that item?

A I was never approached to have anything to do with Merrill, and this is the first time I knew anything about any dealings with Merrill.

THE COURT: Look at the cheque for \$1,050.00.

MR. WEIR:

Q Immediately prior on April the 11th, 1960, there is a cheque payable to you in the sum of \$1,050.00?

A I was told that that came from Mehew. In my books I have it as having come from Mehew.

THE COURT: That is the difference between the two entries in the Merrill account, \$1,050.00, which was paid to you on the day before the transfer was put through.

MR. WEIR:

Q And this suggests that for six months from October the 5th, 1959, to April the 12th, 1960, that you received the difference between these two sums, namely the sum of \$1,050.00, and the only explanation that we can think of in looking and trying to analyze your ledger account, this was a payment that you received for allowing this original credit to go to the J. B. Merrill account, namely this credit of \$20,809.06.

A As far as I know, or as far as I knew that cheque for \$1,050.00 was supposed to have come from the Mehew dealings.

Q And you have no knowledge whatsoever of any conversation that you may have had with Mr. Hatch concerning these two entries and the cheque in question involving the J. B. Merrill account?

A None whatsoever with Merrill.
THE COURT:

Q When was the last dealing that you had with Mr. Mehew, Mr. Johansen? My last entry here on transfers in the journal, if I am not mistaken,---

A All I know is that when this cheque was brought to me he said that the cattle were all sold and that they settled up, figured out the gain, and this was what was left coming to me.

MR. WEIR:

Q And that was the final payment on the Mehew deal?

A As far as I know that was the final payment on the Mehew deal.
THE COURT:

Q Did you do any business with Mehew after 1959?

A I sold him some hay.

Q Yes. I am not thinking about hay. I am thinking about cattle?

A I had no other dealings with him that I knew of.

Q I am looking at a journal entry of January 27th, 1959. I am

just wondering about--- However, this is pretty close anyway.

A I have to admit that during the period of these dealings I spent a great deal of time in hospital and in bed, and I trusted Mr. Hatch, and I was out at times and at times I was unable to get out. I have to admit my dealings in this were anything than what I do under normal circumstances. Mr. Campbell and Mr. Hatch together induced me into this, and I felt confident that it was being handled alright.

MR. WEIR:

Q Would you hold your card again please. Now, at that time there was a balance in your account of \$534.76?

A Yes.

THE COURT:

Q A debit, isn't that?

MR. WEIR: Yes, a final balance in the debit column of \$534.76.

THE WITNESS: Yes.

MR. WEIR:

Q Now, May the 19th, 1960, there is another journal entry involving your account, and it involves a debit to Ray Johansen, your account. Do you see that \$20,000.00?

A Yes.

Q And it has a credit to John Thiessen. Now, this is contract cattle, it says on the document, and yet there doesn't really appear to be any contract. There are no weights

or anything that we can see.

- A Mr. Hatch came to me. After I was finished with the Mehew account Mr. Hatch came to me with a proposition and induced me to do it. Now here is the proposition. This is the proposition that he presented to me. It was that if the Association, Mr. Thiessen wanted more cattle, and is willing to pay a profit on the money to get it, and I said that I would let Mr. Thiessen use this account--- If I would let Mr. Thiessen use this account that he would guarantee all expenses and pay in addition to all these expenses 75 cents a head per month for the calves and \$1.50 a head per month for the yearlings. Finally I told him that if he got the approval of the Board of Directors I would go along with it, and I was ready to believe that he had that approval, and I gave him the authority to go ahead and deal with Mr. Thiessen. He assured me that he would keep all the records. Now, there is a year and a half there, I spent three months in hospital, and I spent another three months in bed at home except for one trip a day to the hospital, and there was a year and a half I was hardly mobile at all, and I left that entirely in the hands of Mr. Hatch. Sometime later I can explain to you why I had such confidence in that, and mostly because Mr. Campbell of the Royal Bank got me into it.
- Q There was not a definite amount a month that you were going to receive?

A No. They were to keep track of the cattle that went in and they were to brand them with a separate number, and if he had calves on hand he would pay 75 cents per head per month for the time that he had those calves. If it was yearlings that he had it would be \$1.50 per head per month for the time that he had those yearlings. That was the proposition to which I agreed.

Q Let us follow through. On January 31st, 1961, there is another journal entry, and it debits John Thiessen \$21,149.59, and credits your account with \$21, 149.59?

A That is on January 31st, 1961?

Q Yes. Now, in that interval, in that interval between those two dates on September the 6th, 1960, you were paid a cheque from your account of \$900.00, and on January the 26th, 1961, another cheque for \$450.00?

A That is correct.

Q And I believe that on one of these cheques, the cheque for \$900.00, that it mentioned March 18th to September 18th at \$150.00.

THE COURT:

Q \$150.00 a month for the six months?

A Well, that would figure out to the amount of cattle that he had in the feedlot I presume.

MR. WEIR:

Q Now, moving along in your ledger card to April the 11th, 1961, another journal entry which debits Ray Johansen

\$25,000.00 and credits the John Thiessen account for the same amount of money, \$25,000.00, although in the ledger card it merely says "Transfer of cattle".

A What date?

Q April the 11th, 1961.

A Yes.

Q Now, if you will go down to August the 15th, 1962, another item in your ledger card marked "Transfer of cattle", and it debits John Thiessen for \$29,411.73, and it credits your account with \$29,411.73?

A That is when I got sick of the whole thing and I told him I wanted to quit, I was through.

Q Now, in addition to those two cheque, one for \$900.00 and one for \$450.00 that we have already referred to, in your ledger card there is a cheque in the amount of \$1,125.00.

A Yes.

Q Payable to you on July 19th, 1961?

A Yes.

Q Now, in addition to that you will note that the interest that we referred to before this deal started--- I am sorry, the debit balance in your account before this series of entries started was \$534.76?

A Yes, that is what is shown here.

Q Yes. Now, on this particular item it is cleared out.

Now, in addition to that there are three cheques which were paid to you through the John Thiessen account?

A \$1,182.00. \$1500.00. \$1500.00.

Q Yes. Now this was on February the 1st, 1962?

A Yes.

Q And you recognize these cheques?

A Yes. That is the right amount.

Q Now, Mr. Johansen, October 23rd, 1962, payable to you, and in the sum of \$1500.00 from the Lethbridge Central Feeders Association?

A Yes. I will just look at the signature. Yes, that is correct.

Q And June the 10th, 1963, another cheque payable to you personally in the sum of \$1500.00 from the Lethbridge Central Feeders Association?

A Yes, that is correct.

Q Now, these were all debited to the John Thiessen account?

A Yes.

Q So this would appear that Mr. Thiessen was paying rather heavily for this arrangement?

A The only time I ever met Mr. Thiessen I pointed that out to him.

Q So that you received then \$900.00?

A Yes.

Q You received \$900.00, \$450.00, \$1,125.00?

A Yes.

Q And the debit balance in your account at the beginning of these series of entries was eliminated in the sum of

\$534.76. Those items total \$3,009.76. And then there were these cheques, one for \$1,282.50?

A Yes.

Q And the other two cheques in the sum of \$1500.00 each?

A Yes.

Q Which makes a total of \$7,292.26 that you received, is that correct?

A Yes.

Q Now, Mr. Johansen, I am trying to understand as well as I can the reasoning for all this. I am rather confused, quite frankly. It seems to me that you are getting quite a premium here in the form of money and I am just wondering what risk, if any, was involved. You say that you were guaranteed?

A That was Mr. Hatch's proposition that he would guarantee I was no risk.

Q If there was no risk then you were getting this sum of \$7,292.26 for nothing really, isn't that correct? What were you doing to earn this money?

A Not much.

Q I can't see that you were doing anything other than perhaps on January the 6th, 1964, a statement was sent to you, and I am showing you a photostatic copy of it, and if you wish I will get the original. In this letter from Williams, Tanner, Bell & Co., the chartered accountants for Lethbridge Central Feeders Association to you, you were asked to verify

your account as at the end of the year, and it mentioned in this letter if there are any exceptions to these records that you are to let them know about this, and I see that you have acknowledged your indebtedness by your signature. This is your signature on this document?

A Yes.

Q And you have acknowledged your indebtedness in the amount of \$27,382.72?

A That takes some explanation there that I would like time to give.

THE COURT:

Q Could I first of all, Mr. Johansen, say that on that \$27,000.00 that you actually did not receive any monies. There is another transfer here of \$25,000.00 on October the 4th, 1963, against your account?

A Yes. That was something I never knew about, and it was not supposed to be.

Q Was there any cheque paid to you after that?

A There was one cheque after that.

Q What cheque was it? There was a cheque of \$1500.00.

MR. FROWSE: This is from the Thiessen, is it?

MR. WEIR: These three cheques that we have referred to are in the John Thiessen account. They are paid directly from the John Thiessen account.

THE COURT: Let us get this straight then.

Q After this deal was completed in which the \$29,411.73 was

credited to your account on August 15th, 1962, that wiped out your account, it balances?

A Yes.

Q And then on October the 4th, 1962, there was a further debit to your account of \$25,000.00?

A Yes.

Q And from there on there are just interest charges in the proper manner, I presume, and a couple of life insurance charges of \$200.00. Did you know your life was insured?

A No.

Q Well, it was. They paid \$200.00 on December 20th, 1962, and \$160.00 on October the 3rd, 1963.

A They should have killed me then.

Q No, I don't think that you would want that to happen. In any event, on March the 19th, which was the day that the whole thing blew up, this entry of \$27,735.78 was credited to your account, and that wiped it out again?

A Yes.

Q But in the meantime these two cheques of \$1500.00 on October the 23rd, 1962, and \$1500.00 on June the 10th, 1963, is within that last period?

A The first of those cheques, when he brought them to me he said "This settles up to the time that you are through." He told me that that was the money coming to me up to that time.

Q Yes.

A Now, I had come to the conclusion that things were not going the way that they should, and I wanted out.

MR. WEIR:

Q What was bothering you?

A To get back to the start of this thing, my feeling in the whole thing, I had been in the Feeders Association once before, and I came very close to getting burnt, and I was scared to death of them.

THE COURT:

Q Were you in the Steinberg deal?

A No, I was in the one at Cardston. I was in that for one year and then I quit, and my name was used unknown to me. A party went to jail for forgery, and things of that kind. So I was scared of Feeders Associations. I had fed cattle with my father, and my father died and I wanted to make use of some money with some cattle, and Mr. Hatch came to me and said that Mr. Mehew wanted to contract cattle. I agreed at that time to use \$10,000.00 of my own money to put cattle in with Mr. Mehew outside of the Association. Well, I was in poor health then, much worse than I am now, so I turned Mr. Hatch down, and then he wanted me to go down and talk to Mr. Campbell to assure me that things were safe. So I went with him to the Royal Bank to Mr. Campbell, and he explained to me that this was a well organized and very smooth operating organization. He pointed out to me there was a Board of Directors that held

a meeting every month, and went over all of the accounts. He pointed out to me that the Board of Directors held a meeting every month and went over all of the accounts, and that the president of the Association signed all of the cheques. He said that no money could go out of the bank and through the Association without the bank's approval. And he said that the auditor was doing a very thorough and up to date job. And he felt a man in my position, being not well, would be much better off to join the Association and use Association credit for the protection that it would give and the experienced field men and things of that nature. And after thinking it over I thought it was good advice, so I took my own money that I had figured on using in cattle and invested at 5% and paid 6% to the Association, and I went into this deal. Now, I made it plain with Mr. Campbell that at any time, that at no time was my account to run over \$20,000.00, and I didn't know until after this thing all blew up that they ever charged my account over that until they came up with this other bank, and then I permitted it to be raised to \$25,000.00. Now, I signed one Feeders contract with the new set-up, when the changeover came to the Imperial Bank. And I became, I spent a good deal of that time in hospital and in bed, and I became worried. I just didn't think that the control of the cheques that Mr. Campbell had assured me existed. I just didn't think that they were functioning, or some of the things that they

were doing like this particular account of mine, I couldn't see them permitting that to go on. I told Mr. Hatch I wanted out. It was then this transfer of August the 15th was made, and to make sure things were right at that time I got Mr. Nilsson, the fieldman of the Association, to go out and count the cattle for me, and I was sure that he was in good condition at that time. At that time I told him I thought I was through. The next shock that I got was in January of the following year I got a statement from the auditors that I owed them some money. I went to Hatch and I said "What gives?" And he said "Well, we saw a good buy on some cattle and I figured it would be a help to you and Thiessen both, so I kept you in here." I said "Get rid of these cattle and get me out." So that he claimed when he gave me this last cheque for \$1500.00 that I was clear and out completely. Well, the next thing I knew I got another statement in January from the auditors.

THE COURT:

Q In 1964?

A Yes, that I still owed money, and I refused to sign it or have anything to do with it. And then late in February a second letter came from them wanting that signed. I phoned the Central Feeders office and asked them what was going on. Mr. Hatch was away at the time and I was informed this money was on the account, and that there were cattle at Thiessen's to cover it. And then I drove

were being like this particular account of mine, I certainly
and then persisting that to go on. I told Mr. Hatch I
wanted out. It was then this transfer of August the first
was made, and he made sure things were right at that time
I got Mr. Wilson, the fieldman of the Association, to go
out and count the cattle for me, and I was sure that he
was in good condition at that time. At that time I told
him I thought I was through. The next week that I got
was in January of the following year I got a statement from
the auditors that I owed them some money. I went to Hatch
and I said "What gives?" And he said "Well, we saw a good
boy on some cattle and I figured it would be a help to you
and I'll see you in here." I said "Yes, sir."
I then called and got me out. So that he claimed when
he gave me this last cheque for \$150.00 that I was owed
and out completely. Well, the next thing I knew I got
another statement in January from the auditors.

THE COURT:

in 1942, I was still owed money, and I refused to sign it
it was expected to do with it. And then later in
February a second letter came from them wanting that signed.
I phoned the Co. Federal office and asked them what
was going on. I was away at the time and I was
told that they were or, and that there
was a letter from them when I drove

out there and was going to try to see Mr. Thiessen myself, and he wasn't home, but at least I didn't find him. In a wheel chair you don't get out and walk around the place. I came back and I got Mr. Nilsson, the fieldman, and he went out and counted the cattle and he came back and said there were over 400 there and he assured me there was considerable more value in cattle than what was charged to me, and it was completely safe to go ahead and sign this. Well, I did sign it, and Mr. Hatch got back and I went after him and asked "What gave?". I said "You told me twice that you were going to get me out of this thing, and I want out of it and now." I said if he didn't I will raise Ned. He promised me to get me out. He said that he could, that he put this money into my account by journal entry and he said that he could take it out the same way. I said "Make darn sure that you do it now."

Q But he didn't do it?

A No. He told me that he would. It was only within a couple of weeks of that time that the blow-up came. It was done before I knew there had been a blow-up.

Q Did you ever think that you should phone the bank?

A No, I didn't.

Q Did you ever think that you should phone the auditor?

A He never called me and I never called him.

Q Did you ever think that you should phone him?

A No. Now, there was one time Mr. Hatch took me out before last year, I don't remember the date, but he took me out to see Thiessens. I was wanting to quit, and I looked the situation over, and it looked like he had a good yard, was taking good care of the cattle, and from what I could see he was doing a good job. He told me that he was satisfied with the arrangements. I don't remember what date that that was.

Q It is quite clear, Mr. Johansen, that at no time did you put up any money in these transactions?

A The thing I did when I was talking originally with Mr. Campbell, I took money of my own and put out 5% and paid 6% to the Association.

Q That is on the Mehew deal?

A Yes.

Q I mean on the Merrill deal which you knew nothing about?

A No. I put up no money.

Q And on the three Thiessen deals, the two that you knew something about, and the other one you didn't know?

A No. There was nothing except Association funds.

Q You put no money out at all?

A No.

Q Well, why should you get \$7,000.00?

A Well, they came to me with the offer and talked me into it.
MR. WEIR:

Q I just want to make one thing certain. You didn't have

any expenses against this amount of money we have been discussing that you received, you didn't have any interest payments. You acknowledge the fact that Mr. Thiessen, in addition to paying you this amount of money, paid the interest himself?

A I paid no expenses.

Q So this money was just free and clear?

A Yes.

Q And the understanding was that there was no risk whatsoever to you?

A Yes.

Q This being such a fabulous arrangement that you had, Mr. Johansen, to say the least, why didn't you phone your friends to get some of your friends in on this type of situation. It seems like a pretty easy set-up if you can get money without any risk or without any expenses. Did it occur to you as being rather unusual?

A One of the conditions I set down to Mr. Hatch was that the Board of Directors were to know about this and approve of it, and he convinced me that that had been done.

Q Did you ever phone any of the members of the Board?

A No, I didn't know any of the members of the Board. I didn't know them, and I trusted Mr. Hatch.

THE COURT:

Q You didn't know Mr. Houlton or Mr. Paxman or Mr. Keeler?

A I had met Mr. Houlton back in the early 30's, but not to say that I knew him.

MR. WEIR: That is all I have.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q You knew, Mr. Johansen, that each month Hatch was giving statements to the bank which indicated that you owed money?

A Well, I have no--- Most banks I ever dealt with, they wouldn't let money out unless they have security, and see the security. I have never heard of a bank, and I have done a lot of banking, but I have never heard of a bank shoving out money. Now, in this case of mine money was out there for 18 months without my knowledge, and they apparently had as much confidence in Mr. Hatch as I did.

Q You knew that your account was being used?

A I didn't know it was being used after August the 15th. That was against my will, and I didn't know that at the time.

THE COURT: Mr. Moscovich, have you any questions?

MR. MOSCOVICH: No. Thank you very much.

(WITNESS STANDS DOWN)

(FIFTEEN MINUTE ADJOURNMENT)

HERBERT BISHOP, having first been duly sworn, examined by Mr. Weir, testified as follows:

MR. MARTIN HOYT: Your Honour, I am representing Mr. Bishop and I would ask that Mr. Bishop be given the protection of the Canada Evidence Act and of the Alberta Evidence Act.

THE COURT: Mr. Bishop will be given the protection of the Canada Evidence Act and of the Alberta Evidence Act on the evidence which he will give.

MR. WEIR:

Q Your name is Herbert Bishop?

A Yes.

Q Where do you live?

A I live in Lethbridge now.

Q And you have a farm?

A I did have a farm. I don't have a farm now.

Q You were a member of the Lethbridge Central Feeders Association Ltd.?

A Yes.

Q Now, at that time when you were a member you had a farm?

A Yes.

Q Where was this farm located?

A Located four miles south of Barnwell, but I don't remember the exact description.

Q About how many acres did you have?

A 2,400 acres.

Q 2,400 acres?

A Yes.

Q And how many acres of cultivation?

A 2,400. Except where we lived.

Q What crops did you have each year?

A Oh, the usual.

THE COURT:

Q Was it irrigated?

A No, it was dryland. Grain, barley, flax, and oats.

MR. WEIR:

Q And you specialized as well in the cattle operation?

A Yes.

Q And that is the reason that you joined the Lethbridge Central Feeders?

A Yes.

Q While the Clerk is looking for the original ledger card I am showing you a copy of the ledger card which is marked E. Bishop and Son. Your name does not commence with "E". This is your father?

A Yes.

Q And you are the son of this arrangement?

A Yes.

Q And both of you had your dealings through the Lethbridge Central Feeders Association on the one ledger card?

A Yes.

Q Have you seen the ledger cards from time to time?

A No.

Q You never looked at them?

A No.

Q Did you keep a record yourself of your dealings with the Lethbridge Central Feeders Association?

A No.

Q You never kept any records yourself?

A I knew what cattle were in there, but figure-wise I didn't.

Q Did you figure out how much money that you were spending on feed?

A I knew what we were using for feed.

Q Did you keep it all in your head?

A By the basis of the amount in the bins. The grain was held for that purpose.

Q You bought feed as well, or did you grow it all?

A I don't think we bought any feed.

Q I presume that you at least kept a sufficient record so that you would file income tax returns?

A Yes.

Q So that you made an estimate each year of the amount of money attributable for feed?

A Yes.

Q And the amount of money that you received by way of income?

A Yes, naturally.

Q Now, I show you a copy of your ledger card. This is a photostat copy of your ledger card with Lethbridge Central Feeders?

A Yes.

Q And by date of August 31st, 1962, there is an entry of \$30,000.00 debited to your account. This is in connection with the journal voucher No. 298 which I am showing you

and which debits E. Bishop and Son \$30,000, and credits Mehew \$30,000. Do you see that?

A Yes.

Q Now, look at the ledger card. Immediately prior to that entry there is no balance in your account?

A Yes.

Q And as a result of that entry there is a \$30,000 debit to your account?

A Yes.

Q Now, this is another journal voucher, 477, dated December 30th, 1963?

A Yes.

Q And there is a debit here to Leonard and Wayne Mehew, \$73,454.17, a credit to E. Bishop and Son of \$34,382.19, and a credit to Leonard Mehew of \$39,071.98.

A Yes, I see that.

Q Now, do you see that entry indicated on your card, \$34,382.19?

A Yes.

Q Now, Mr. Bishop, I presume that you realized this arrangement was made?

A This--- Yes. Well, was this at the end of 1963?
THE COURT:

Q Did you know that \$30,000.00 was credited to Mehew and debited to your account?

A This is in 1962?

Q Yes, August 31st, 1962.

A Yes,

MR. WEIR:

Q You knew that?

A Yes.

THE COURT:

Q Why was that done? What was the arrangement, who did you talk to, and---

A Well, Mr. Hatch approached me and made a very similar agreement that he had with Mr. Johansen.

Q You just tell us.

A Well, that inasmuch as there were some feeders who had feed, but didn't have enough credit to obtain cattle, he wanted to know if he could use the credit of E. Bishop and Son, the credit that E. Bishop and Son had established with the Association through to the bank, I presume, to use for this purpose, and he presented this situation where we would receive, and I am trying to recall when Mr. Johansen spoke. It was, as I recall, 75 cents per month for calves and \$1.50 for yearlings and two year olds per month. Now, the Lethbridge Central Feeders Association, of course, were going to look after all the arrangements and put the cattle in this man's feedlot, and on that basis.

Q Did you meet Mr. Mehew at all?

A Well, I never did go down to Mehew's lot with the purpose of meeting him, no.

Q Did you ever meet him and discuss this with him?

A No. All of the arrangements were made through Mr. Hatch, and that was it.

MR. WEIR:

Q Would you hold your ledger card for a minute, please, Mr. Bishop. Would you like me to go down the individual items comprising the amount that you received after you, after that entry of \$30,000.00 to which we have referred to previously. According to my total it is \$1800.00. Now, just look at your card then from here down to here, and then over on the following page. You will see entries for three cheques in the sum of \$450.00 that you received from this account. Do you see this?

A Yes.

Q Now, you received those cheques?

A Yes.

Q And in addition to receiving a cheque for \$200.00?

A Have you the cheque here?

Q Here is a cheque for \$135.34. This cheque is payable to you by the Lethbridge Central Feeders Association, April 29th, 1963?

A Yes.

Q April 4th, 1963, a cheque for \$200.00?

A Yes.

Q March 16th, 1963, a cheque payable to you by the Lethbridge Central Feeders Association for \$450.00?

A Yes.

Q December 11th, 1962, \$450.00?

A Yes.

Q November 7th, 1962, \$450.00?

A Yes.

Q You acknowledge these signatures on the back of these cheques?

A Yes.

Q So that you acknowledge your signature on all these cheques?

A Yes.

Q There is only one other entry and I don't think, I don't have a corresponding cheque for it, and that is \$114.66.

MR. MOSCOVICH: What date is that?

THE COURT: That is a cheque to Central Livestock.

MR. WEIR: Yes.

Q Then there is an entry on the, that I recall somewhere in my notes where there was a mark by the auditor to the effect that you left a calf that was received, but you don't recall this?

A No.

THE COURT: Do you remember getting a calf?

A No. Who was getting the calf?

MR. WEIR:

Q You were. It is charged to your account.

A I think there is one there on the basis of meat for the

locker.

THE COURT:

Q You got it out and put it in your locker?

A Yes.

MR. WEIR:

Q This next entry, there is a total of \$1800.00. Do you acknowledge receiving \$1800.00 on this ledger account during that period of time?

A Yes.

Q Now, in our discussion with Mr. Mehew, were you in court on that day?

A No.

Q On that particular day we referred to a cheque dated July 9th, 1963, in the amount of \$1,014.66, and this was charged to Mr. Mehew. Do you recall receiving this cheque for \$1,014.66 from the Lethbridge Central Feeders Association?

A No.

Q July 9th, 1963, in the same period?

A This is approximately the time that the account was closed out. 1963 you are speaking of?

Q These of July the 9th, 1963, it is during this period of time that we are referring to?

A Yes. The account was closed out.

Q This was, it shows here December 31st?

A Well, that is wrong. It was closed out in the middle of the year in 1963.

THE COURT:

Q You got what you thought was a settlement?

A Yes.

MR. WEIR:

Q These entries from here down, from May down, are simply entries added to your account?

A Yes.

THE COURT:

Q Have you got that \$1,014.66 cheque?

MR. WEIR: I don't see it here in front of me.

THE COURT: Let us look in the Mehew file.
July 9th, 1963.

MR. WEIR:

Q Well, you don't recall receiving that cheque, Mr. Bishop?

A I may have, but surely I would remember receiving that size of a cheque.

THE COURT: Here it is.

THE WITNESS: If that is a close-out cheque.

MR. WEIR:

Q July 9th, 1963, payable to you by the Lethbridge Central Feeders Association in the sum of \$1,014.66. Do you recognize the endorsement on the cheque?

A Yes.

Q That is your cheque?

A Yes.

THE COURT:

Q And that is charged to Mr. Mehew?

A Yes. That would have to be the close-out cheque. That is when the account was closed.

Q At that time?

A Yes.

Q Did that figure out on any basis?

A Well, ---

Q That would make, was there \$135.34 of April 29th, that would make \$1,150.00.

MR. WEIR: It was \$1,800.00.

THE COURT:

Q A cheque for \$135.34. A cheque of April 29th, 1963, \$135.34. Add that to the \$1,014.66, which makes \$1,150.00. And then you go behind that and you get \$450.00 and the--- It looks like these two cheques add up to a settlement of some kind.

A This was supposed to have been the close-out at the middle of 1963.

Q July 9th, 1963?

A Yes.

Q This would not be the first time that people have been surprised with what is in these books.

MR. WEIR:

Q Mr. Bishop, you have also acknowledged that you have received this series of cheques which you obtained from

the Lethbridge Central Feeders Association and were charged to your account, and the total sum if \$1800.00?

A Yes.

Q And you acknowledge receipt of this cheque in the amount of \$1,014.60 from the Association?

A Yes.

Q And this makes a total of \$2,814.66 that you received?

A Yes.

Q Now, interest was not paid by you. Interest was paid by Mr. Mehew through that last transfer we have just referred to here, \$34,000.00, which wiped out your account clean?

A Yes.

Q Except for interest of \$343.22. That is also charged to Mr. Mehew?

A I presume if I had been paying interest I would have received some remuneration. The arrangement was that all the expenses were to be taken care of by the feeder.

Q And this you can see by looking at your ledger card?

A Yes.

Q So that you received the sum of \$2,814.66?

A Yes.

Q Free and clear?

A Yes.

Q No interest charges?

A No.

Q You did not pay any interest charges on that?

A No.

THE COURT:

Q And you had put up no money?

A Well, no. I put up no money. It was Association credit.

MR. WEIR:

Q Now, Mr. Bishop, you were aware of the fact that this money that was charged to your account in the amount of \$30,000.00 that was put in Mr. Mehew's account was enabling Mr. Mehew to get credit which he could not get without this, is that correct? Is that the understanding that you had with Mr. Hatch?

A Yes.

Q Didn't it occur to you that this was assisting in deception of some sort, the fact that it was not being put through the man's own ledger card, the fact that it was put through your's? Didn't it seem to you that this was a deception, and you were assisting in this deception?

A I have no knowledge of bookkeeping at all. From my standpoint I don't think it was deception because a credit was there. The Board of Directors, I presumed, reviewed this from time to time. The bank must certainly have been aware of it, and I can't see where it would be termed deception because if we didn't have credit the man would not have been able to get the cattle. I don't think it is deception.

Q If you felt that the bank and the Board of Directors and

everybody seemed to know about it, why was it done? Why would this individual, Mr. Mehew, pay you \$2,814.66?

A For the use of the credit facilities.

Q Well then, if it wasn't paid back you were having a risk. If you couldn't pay the money back were you going to pay it off?

A Well, I presume so, but I didn't know that that was the arrangement.

Q You presumed if he couldn't pay it off then you would pay it off?

A According to Mr. Hatch it was all on a guaranteed basis.

Q This is a little different than you just said. If this individual couldn't pay this \$30,000.00 off, plus interest, you felt that you would not have to pay it?

A When he first came to me it was on the basis of so much per head and so I presumed that this was on the basis of the amount of cattle that he had.

Q Let us get this clear. Was it your understanding as a result of your conversation with Mr. Hatch that you would have risk or that you would not have risk if this \$30,000.00 was not paid off?

A Well, on the strength of the conversation Mr. Hatch presented to me, I don't know whether I would be a risk or not.

Q You don't know whether you were going to have a risk?

A Well, it was on a straight contract basis. I was--- Now,

let me think about this.

MR. HOYT: I wonder if the witness understands what risk means? What kind of a risk?

MR. WEIR:

Q Let us say that the cattle had dropped dead. Who would pay for them?

A I don't know whether I would be held responsible or not because on the basis of the way it was presented to me it was strictly for the use of credit facilities. The man had the cattle in his lot so many days and this was the basis of payment.

Q You still haven't answered my question as to your understanding regarding this transaction as to whether or not the cattle all dropped dead you were going to assume a risk. You were receiving \$2,814.66 for what? For a risk that if the cattle had died that you would pay off the account, or for what?

MR. HOYT: I think that he has answered that.

MR. WEIR: I haven't heard it.

MR. HOYT: He said for the use of his credit.

THE COURT:

Q You say that you thought that the bank must have known, is that the answer that you gave?

A Yes.

Q Now, if you say that you thought that the bank must have known the arrangements on which your credit was being used, then wouldn't it be that your credit was being used, as far

as the bank was concerned, that you were responsible for this?

A Well, that is entirely possible.

Q And in your experience, and you have had a lot of experience in dealing with banks?

A Some.

Q Banks do not give out \$30,000.00 willy nilly, do they?

A During this period E. Bishop and Son, when E. Bishop and Son first obtained the credit facilities with Central Feeders Association I presumed it was on the strength of our ability to handle all calls.

Q Yes. So that the bank, when you got the money through the Association and went into the feeding business you considered that the bank knew that you were a good risk, otherwise they would not have approved of your loan?

A Yes.

Q Otherwise when Mr. Mehew's \$30,000.00 is transferred to you, and you say that you thought that the bank must have known, they wouldn't, wouldn't it be your understanding that the bank was relying on you then for this \$30,000.00, otherwise why did you tell me that the bank must have known?

A I don't know. Just a presumption, that is all.

Q There is not much use proceeding further on the matter. These things pile up, yours and Mr. Johansen's, and these things, and there is nothing to back it. This is money

borrowed from the bank that you got.

THE COURT:

Q And the Association is paying interest?

A Yes.

Q And these things just snowball, and in your operation and in Mr. Johansen's operation, and all the different deals, and it all resulted in the terrible mess we are in. Are there any more questions?

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Do you know Mr. Mehew?

A I know him very vaguely. I don't know him very well.

Q When did you first meet him?

A I think I first met him after all this came about, and that is only casually.

Q When was that?

A I can't pin it to a date, but I think about the middle of this last year, 1964.

Q And your evidence is that during the entire time that he used your credit that you never had any discussion with him at all?

A No, not at all.

Q Did you return the auditor's statement on this?

A I didn't get an acknowledgement form, if you want to call it that, from the auditor at the end of 1963 like Mr. Johansen was speaking of.

Q You never got one?

A No.

Q And who is E. Bishop? Is he alive?

A Yes, he is alive. He is my father and he is in hospital right now.

Q Do you split this profit with him?

A Yes.

Q Did you give anything to Mr. Hatch for this?

A No.

Q Nothing at all?

A No.

Q But Mr. Hatch was your agent in making all this transaction?

A Yes.

Q Thank you.

THE COURT:

Q Mr. Bishop, I notice some deals here, or transactions between you and Mr. H. A. Jones. Was there anything similar with him?

A Yes.

Q When did that start? Actually at 11 o'clock last night after working from 5 o'clock we finally gave up on this point. We were looking at these figures here, and Mr. Jones', and we just couldn't get the idea. Can you tell us what happened there?

A It would be under the same arrangement as the Mehew situation.

Q That is that you, that your credit was used with Jones?

A Yes.

Q And there was a debit to you?

A Yes.

Q And you look over your accounts. Do you think that it would be on July 31st, 1959, when there was a transfer of \$16,251.32, approximately, debited to you, and it ended up on the 9th of December, 1962, at \$21,000.00?

A I don't see the \$16,000.00.

Q What is the item on July 31st, 1959?

A July 31st, 1959?

Q Yes. \$16,251.32. I am sorry. That would be 1961. Where is the original?

MR. WEIR: I can't locate it.

THE COURT: Of Bishop and Son.

Q You are pretty sure of that?

A Yes.

Q Did you get all these cheques in between? Will you just go over these cheques with me Mr. Weir?

MR. HOYT: You mean after that entry?

THE COURT: Yes.

MR. WEIR: There is \$300.00.

THE COURT: \$150.00. \$300.00. \$150.00. \$450.00.
\$300.00. \$400.00. \$800.00.

MR. WEIR:

Q Do you see those?

A Yes.

Q You got all those?

A Yes.

Q We have a series of cheque here. Will you look through these and identify them. \$300.00?

A Yes.

Q In November 25th, 1959, \$300.00?

A Yes.

THE COURT: Where are you at now?

MR. WEIR: I am sorry Your Honour. This is in connection with a series of cheques which are stapled together here. Parts of them we have already gone through.

THE COURT: I want the cheques between November 25th. I guess that is right. That is the start, \$300.00.

THE WITNESS: Yes.

MR. WEIR:

Q Will you look at the back of this cheque?

A Yes.

Q That is your endorsement on the back?

A Yes.

Q January 9th, 1959, \$300.00?

A Yes.

Q I am just looking at the cheques now, Your Honour, they could be involving another account.

MR. HOYT: January 3rd, 1960, \$150.00.

MR. WEIR:

Q January 5th, 1960, \$150.00?

A Yes.

Q January 20th, 1960.

THE COURT: March 20th is the actual cheque.

MR. WEIR: Your Honour, we located that cheque and we added it to our list, January 20th, 1960, in the amount of \$150.00.

THE COURT: Yes. Another \$150.00 not in the ledger.

MR. WEIR:

Q That is your endorsement on the back?

A Yes.

Q March 7th, 1960, is that your endorsement?

A Yes.

Q March 24th, 1960, \$300.00, that is your endorsement?

A Yes.

Q May 2nd, 1960, \$150.00, is that your endorsement?

A Yes.

Q We are now getting into the \$450.00 cheque. 1960, July 25th, is that your signature?

A Yes.

Q August 30th, 1960, \$300.00?

A Yes.

Q January 3rd, 1961, \$400.00, is that endorsement?

A Yes.

Q March 18th, 1961, \$800.00?

A Yes.

Q That is your endorsement?

A Yes.

Q November 7th, 1962.

THE COURT: No, that is the end.

Now comes the \$65.92. Right after the \$800.00.

MR. HOYT: \$65.92?

THE COURT: Yes. June 27th. What does this total. That comes to \$3,000.00, is that correct?

MR. WEIR: I have a tape here, Your Honour, run off on the adding machine. The original one we discussed before of \$1800.00, plus the ones that we have just read, and in addition to this one cheque of \$300.00. This is your endorsement on the back?

THE WITNESS: Yes.

MR. WEIR: All of those cheques total \$5,135.34.

THE WITNESS: On this final close-out there was a reserve and membership fee.

THE COURT: Those are in addition here, aren't they? Interest and private reserves, \$721.25. December 31st. Go back a page here. Are you looking at the last page? Go back one page. Now, look down toward where the \$21,000.00 is. Do you see that?

THE WITNESS: Yes.

THE COURT:

Q Now look at the left hand, the next item above that.

There is interest and reserves, \$721.00 charged, but we are not taking into consideration, nor are we taking into consideration the \$1,015.06, July 31st, interest and supplies. The interest being charged to Mr. Jones, and no doubt the supplies being something that he got. Now, all we have added up are the cheques to yourself, and they come on this deal, as I make it, about \$3,150.00. And that was for a period from July 31st, 1959, to December 31st, 1961?

A Not 1961, I don't think. I don't think that it would be 1961.

Q 1962. Is that correct? I think it is 1961. No, that is just the Jones account that we are talking about?

A Yes.

Q You were in with Jones to start with, and then you transferred to Mehew?

A Yes.

Q So actually that you got--- How much was it Mr. Weir?

MR. WEIR: \$5,135.34.

THE COURT:

Q Now, that is part of the \$800,000.00 that is gone. Nobody has paid it, and you got it.

MR. MOSCOVICH: He got it lawfully.

THE COURT: I am not deciding that. Any other

questions? That is all thank you.

(WITNESS STANDS DOWN)

ELMER WILDE, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. Elmer E. Wilde?

A Yes.

Q And you are from Welling, Alberta?

A Yes.

Q And your farm is there?

A Yes.

Q How many acres have you on your farm?

A 370.

Q 370?

A Yes.

Q How many acres under cultivation?

A About 340 or 350.

Q And what crops do you grow?

A It is a mixed farm. It is irrigation.

Q And what percentage of the acreage is under irrigation?

A Around 300 acres.

Q And I understand that you were in the cattle business as well?

A Yes.

Q And you grow crops to accommodate your cattle operation?

A Yes.

Q Now, when did you join the Lethbridge Central Feeders

Association?

A I don't recall that. It was quite some time ago. During the 50's, I think. 1952 or 1951.

Q Do you recognize these ledger cards, E. E. Wilde, Welling?

A Yes.

Q And these are the cards of the Lethbridge Central Feeders Association concerning your transactions through the Association?

A Yes.

THE COURT:

Q Did you actually examine them from time to time?

A No, I didn't.

MR. WEIR:

Q When did you see these cards before today?

A I seen them the latter part of 1964.

Q But prior to that?

A No, I didn't see them.

Q And particularly prior to March 17th, 1964?

A No.

Q You never saw them at all?

A No. I just left it up to the Central Feeders.

Q Did you keep any records of your own?

A Very few. As far as transactions went I knew that cattle had come in and I knew that they went out.

Q You say that you didn't look at these cards?

A No.

Q Did you keep sufficient books to satisfy the Income Tax Department?

A Yes.

Q So that you kept a record of the amounts of money coming in to you personally?

A Yes.

Q And the approximate amount of money on expenses for feed?

A Yes.

Q And you had a rough idea of your cattle transactions just from memory?

A Yes.

THE COURT:

Q You would get statements in and out?

A Yes.

MR. WEIR:

Q And you were satisfied with those statements?

A Yes, up to the time of about 1960.

Q Now, Mr. Wilde, would you look at this journal voucher, please, and read it to us?

A Credit \$10,000.00 and credit Ray Nelson \$10,000.00.

Of course, that is a debit. Credit me and debit him.

Q No, just the opposite. Debit you.

THE COURT:

Q That is April the 11th?

A Yes.

Q Debit Wilde and credit Nelson \$10,000.00?

A Yes.

MR. WEIR:

Q On your ledger card it makes it quite clear, April the 11th, transfer of cattle \$10,000.00?

A Yes.

Q And as you see it involves Ray Nelson?

A Yes.

Q Were you aware of that transaction?

A No, not at the time.

Q When did you become aware of this transaction?

A About a year later.

Q How did you become aware of it?

A When I got notice from the auditors.

Q When you got a notice from the auditors to that effect?

A Yes.

Q What did you do?

A I went to see Mr. Hatch about that and Mr. Hatch told me that it was alright, that he had the credit, and that everything was under control, and that it would not be to my disadvantage to do so.

Q Did he promise you any reward of any description?

A No. He said that he would pay the interest on the money, and that it would not damage my credit.

THE COURT:

Q You did not phone the auditors?

A No.

Q Did you send back this document?

A No, I don't think so.

Q You didn't sign it?

A No.

Q Didn't you think that if that was being done, not only in your case, that it might be that somebody might be doing it in quite a few cases?

A It really didn't enter into my mind because Mr. Hatch said that it wouldn't damage my credit, and I just took him at his word.

MR. WEIR:

Q I see an entry of March 19th, 1964, \$13,640.00?

A Yes.

Q Do you see that credit in your account?

A Yes.

Q It says "Transfer to Ray Nelson".

A That is---

Q March 19th, 1964?

A Yes.

Q And it says "Transferred to R. Nelson, \$13,640.00"?

A Yes.

Q Now, looking at that figure alone it would appear that you received---

THE COURT: I think, Mr. Weir, we are agreed that he received nothing. Is that correct?

MR. WEIR: I was just going to explain that

to see if he had the same understanding, Your Honour.

THE COURT: I think we are agreed that in the final analysis--- There is another entry afterwards, is there not?

MR. WEIR: Yes.

THE COURT: The date of that?

MR. WEIR: May 15th, 1964, for \$1,877.81.

THE COURT: \$1,877.81?

MR. WEIR: Yes. Which really meant then that Mr. Wilde only received \$1,764.19, which we both believed to be the approximate amount for interest.

THE COURT: What was the date of that entry?

MR. WEIR: May the 25th.

THE COURT: Of this year?

MR. WEIR: Yes.

THE COURT: I mean 1964.

MR. WEIR: Yes.

THE COURT:

Q Mr. Wilde, this is an entry made about two months after the blow-up in which your account is charged with an additional \$1,877.00 and some odd cents and interest. Did you know about that? Was there any discussion at the time?

A When I went to see Mr. Hatch after the auditor sent a report out in 1963, I went to see Mr. Hatch and he said that he knew that I did not owe that money, and that

he would make a general entry and straighten it out, and when I went in to their office again he told me that he had charged me out with more money than, to my credit than he should have done, and that it was put back in the right way.

Q Did you know that he had actually done that? Did you know that he had actually shown you as making a profit of \$1,877.00?

A No, because I didn't receive any cheque to that effect.

Q No, you wouldn't receive them. This is merely a credit in your account. On March 19th when he made the entry, and he made a lot of entries on that day, that was the day of---

MR. MOSCOVICH: Judgment.

THE COURT:

Q Whatever you call it. He made a lot of entries on that day, and one of the entries was credited to you in the amount of \$34,000.00, which meant that you were getting \$1,877.00 of free money. Did you know that that took place?

A No, I didn't know I received any free money.

Q Well, you didn't, because two months later you were charged back with \$1,877.00, and now I am wondering whether between March 19th and May the 25th there was any discussion in which you took part?

A No.

Q Have you any idea why it was put back? Did the auditors get in touch with you?

A No.

Q Or Mr. Hatch, did he get in touch with you?

A No.

Q You knew nothing about it?

A No. I went over my card with Mr. Hatch and he satisfied me on the entries there that it was alright, but he never showed me any credit.

MR. WEIR:

Q I believe Mr. Wilde has already testified to the effect, and I could be wrong now, but didn't you say that Mr. Hatch said that you had received too much and that he would make an adjustment to balance it out?

A Yes. I think that it amounted to around \$1100.00.

Q Well, it was in reality \$1,877.00.

A Yes, that could be. He said that the outer office found it after he charged it back into my account.

Q Nobody ever paid you anything that would not appear in this account in consideration of this transaction?

A No, I never received any money.

Q That is all.

THE COURT: Any other questions?

(WITNESS STANDS DOWN)

(COURT ADJOURNED AT 12:15 P.M. UNTIL 2:00 P.M. ON THE SAME DATE)

MR. WEIR:

I will call Mr. Janz.

JOHN JANZ, having first been duly affirmed, examined by Mr. Weir, testified as follows:

Q You are John Janz?

A Yes.

Q And you are from Coaldale?

A Yes.

Q And your farm is at Coaldale?

A Yes.

Q How large is your farm?

A 200 acres.

Q How many acres under cultivation?

A The whole thing.

Q What percentage, if any, under irrigation?

A The whole thing.

Q And what crops do you grow?

A I have a rotation of mixed crops, sugar beets, alfalfa, and grain.

Q And you were engaged in a cattle operation business as well?

A Yes.

Q And you joined the Lethbridge Central Feeders Association?

A Yes.

Q I show you a ledger card from the Lethbridge Central Feeders Association. Do you recognize these ledger

cards in your name.

A My name is on it. I know that they use this type of ledger.

Q Have you seen this before today?

A Well, I've seen the ledgers with my name on them, but whether it is this one or not I don't know.

Q In the Association office?

A Yes.

Q How often did you look at your ledger cards?

A I don't know. I have seen them once or twice, that is about all. Whenever I made a payment. Whenever I sold cattle or bought them it was entered into the ledgers.

Q According to this ledger card it would appear that you joined somewhere around 1958 or earlier?

A Yes. I don't know exactly.

Q You recall being a member at that time?

A Yes.

Q I'm not quite sure I understand it, but you see all these entries that are marked here. Every time an entry would go through, you say, that you would check them?

A No, but I could have seen them on different occasions.

Q And you received auditors' statements from timeto time?

A Yes.

Q And you were satisfied with the amount?

A I don't know anything about them, but I always took

for granted that they were all right.

Q There was one matter that I am interested in in connection with your ledger card, and that is the use made of advances that you received. Now, one particular advance made to you in January in the amount of \$8,000.00. January 31st, 1963. Will you tell us the reason for this particular advance of \$8,000.00?

A It is the 30th.

Q Yes, it is the 30th. I'm sorry. It is the 30th.

A This advance was given to me on my stock cows that I had, and I used that money to buy a quarter of grass land.

Q Did you have a conversation with the supervisor, Mr. Hatch before you received this advance?

A I mentioned it to him and he said that on the strength of my contract and the fact that I had never been in arrears with them that that was all right.

Q And you told him that you were going to buy land with it?

A Yes. And the bank manager was out with Stu one time, and Stu asked me, he said "John, are these the cattle that you took the advance on?" and I said "yes." I know that there was a man from the bank with him at that time, so I never questioned this

advance.

Q I notice even at that time that the time that you got the \$8,000.00 advance that the debit balance in your account is only \$8,632.97?

A Yes.

Q And this account has been subsequently paid in full?

A Yes.

Q I have no further questions.

THE COURT: Are there any questions?

MR. PROWSE: No.

THE COURT:

Q These stock cows at that time were not encumbered to anybody?

A Yes. There was about 16 head encumbered to the Bank of Montreal.

Q But you had others?

A Yes.

Q As far as you were concerned the \$8,000.00 was well secured?

A Stu seemed to think so. He told me on the strength of the cattle, the stock cows as well as the calves that would be coming in the spring that he considered that that was good enough.

Q There was no document signed, you just took the \$8,000.00?

A He gave me a cheque for \$8,000.00 and on the receipt was marked "Advance".

Q Just an advance?

A Yes. That is all.

Q At that time though it was not an advance on the purchase of cattle at all?

A No.

Q You had the cattle?

A Yes, and they were mine.

Q And they were fully paid for except you owed the bank some money on them?

A Yes.

Q So it was not a feeding proposition?

A No. This was definitely a loan to purchase this land.

Q That is all thank you.

(WITNESS STANDS DOWN)

GLEN S. MEEKS, having first been duly sworn, examined by Mr. Weir, testified as follows:

MR. PALMER: Your Honour, I am representing Mr. Meeks, and I am asking for the protection of the Canada Evidence Act and the Alberta Evidence Act on Mr. Meeks' behalf.

THE COURT: The protection of the Canada Evidence Act and the Alberta Evidence Act will be granted to Mr. Meeks.

MR. WEIR:

Q Your name is Glen S. Meeks?

A Yes.

Q And you are from Raymond, Alberta?

A Yes.

Q And your farm is located at Raymond?

A On the ridge.

Q How large is your farm?

A 400 and some odd acres.

Q How many acres under cultivation?

A 375 about.

Q Would it---would any part of it be under irrigation?

A Yes, some of it.

Q Approximately how much?

A About 80 or 90 acres.

THE COURT:

Q How much?

A 80 or 90 acres.

Q And you have some lease land as well?

A Yes,

Q How many acres of lease land?

A Five and one half sections.

Q About 3500?

A Yes.

Q And that is from whom?

A The Alberta Government.

Q From the Alberta Government?

A Yes.

Q Is that on the ridge?

A Yes.

Q We are speaking of the Milk River

A Yes.

Q Is that South of Raymond?

A Yes.

Q Is that----

A Straight South of New Dayton.

Q That would be East of the Knight?

A Yes.

Q Do you then join on the Knight Ranch?

A Yes, joining on the East.

Q All right.

MR. WELLS:

Q I presume that you were engaging actively in the cattle business?

A Yes.

Q Now, Mr. Meeks, I am showing you some ledger cards marked "Glen Meeks, Raymond." These are cards of the Lethbridge Central Feeders Association. Do you recognize these ledger cards?

A Yes.

Q Can you recall when you joined the Lethbridge Central Feeders Association?

A I have been a member a long time.

Q I see in one of the years that you are, one of the years that I marked on these cards that I have here,

I see the year 1950?

A Yes.

Q So that you were at least a member back to 1950?

A Yes.

Q Now, Mr. Meeks, I am particularly interested in the arrangements that you may have made with the supervisor, Mr. Hatch, regarding cattle. I understand that you bought some cattle from Mr. Hatch, is that correct?

A Yes, that is correct.

Q Now, Mr. Meeks, can you recall off hand when they were purchased?

A Yes. I think about 1959.

Q I show you a Central Cattle Company ledger card, and there is a notation on, I believe it is August 3rd, 1959, and there is an item "H.G. Houlton", and then in brackets there is a notation "G. Meeks." And it says--"\$3,820.10." What does that represent?

A Well, ---

THE COURT: Isn't there a purchase---

MR. WEIR: I'm just looking for it Your Honour. Yes, here we are.

Q The invoice statement indicates the date of August 3rd, 1959, pay to H. G. Houlton for account Central Cattle Company, 21 heifers, one bull, making a total of 21, for the price of \$3,760.00, and then trucking charges and commission charges and insurance charges, making

a total that we have just referred to of \$3,820.10.

Now, did you receive these?

A Yes, I received those 21 animals.

Q You received those 21 animals?

A Yes.

Q Now, what conversation did you have with Mr. Hatch concerning this particular transaction?

A I had a 40/60 basis. I was to get---

He was to get 40% of the calves until I purchased the cows, and the agreement was that I took them on that condition, on the condition that I purchase them, and I purchased the cows in 1962.

THE COURT:

Q That is 40% of the calf crop was to become the property of Mr. Hatch?

A No, not the property of Mr. Hatch.

Q You were to pay him out?

A Yes.

Q You were to keep the calves and buy his share?

A Yes.

Q And that is done quite often, isn't it, on deals like this?

A Yes.

Q Did you know where the money was coming from to buy these calves?

A No, I did not, only I bought the cows.

Q What kind of cows?

A They were heifers at the time, and I bought them from Stu and took them to the farm.

Q As far as you knew they were his cattle?

A I knew that he bought them from Mr. Houlton because I went there to see them.

Q You went there to see them?

A Yes.

Q But the deal was not a Lethbridge Central Feeders deal?

A As far as I knew AI got them from Stu. I don't know how he got them. But they were charged to my account.

Q That's right. But you don't know to whose account they were charged with in the Lethbridge Central Feeders account?

A No, I don't know.

MR. WEIR: Excuse me for a moment, your Honour, I am attempting to find some of these items.

THE COURT: Journal entry 81, December 29th, 1961, \$2,280.00 credited to Central Cattle, and I presume debited to Mr. Meeks account.

MR. WEIR: This is Journal voucher number 201 and it is dated December 29th, 1961, and debited to Rex Meeks, a debit to Rex Meeks of \$1,440.00. A debit to, I believe that is "Glen Meeks", \$840.00. And a

credit to Central Cattle Company of \$2,280.00.

THE COURT: Which one are you looking at?

MR. WEIR: December 29th, 1961.

THE COURT: Go back to April. I think that that would be better. A similar amount.

MR. WEIR:

Q April 29th, 1961, It starts off with a debit to you of \$840.00. And another debit to Rex Meeks in the sum of \$1,440.00. A credit to Central Cattle Company of \$2,280.00. Now, there is no notation on this particular journal voucher. But on December 29th, 1961, a debit to Rex Meeks of \$1,440.00 and one to you of \$840.00, and a credit to Central Cattle Company of \$2,280.00. There is a notation underneath there -- "57 calves at \$40.00." Do you see that?

A Yes.

Q This would mean from this conversation that we just had a few minutes ago that the calves were valued at, I presume, \$100.00?

A This is not my account here. This other one ~~here~~ is mine.

Q This first Journal voucher, 143, dated April 29th, 1961?

A Yes.

Q What about this particular one?

A This particular one---

Q Journal voucher 201, dated December 29th, 1961?

A There wasn't two of those to me, was there?

THE COURT: That is charged to you twice.

MR. WEIR:

Q They are charged to you. You are charged with \$840.00 on April 29th, 1961 and on December 29th, 1961, you are charged again with \$840.00?

A I can't answer this. But this one here, I received a cheque for this amount, but why it was in there that way I don't know.

Q But you received a cheque for \$2,280.00, and this was a credit to Central Cattle Company?

THE COURT: You paid that.

MR. WEIR:

Q You paid \$840.00 and Rex Meeks paid \$1,440.00, and there is a credit to the Central Cattle Company of \$2,280.00.

THE COURT: That is the settlement of the calves.

MR. WEIR:

Q This is why I was mentioning to you 57 calves at \$40.00. You mentioned a 60/40 percentage split.

A Yes, that's right, but I had 20 cows.

Q You had 20?

A Yes, I did.

THE COURT:

Q Isn't there a division of those calves, Mr. Weir?
There is no division? There would be 20 calves of
yours and 37 of Rex's.

MR. WEIR: Yes.

THE COURT:

Q You said that you had about 20 cows?

A Yes.

Q Your 20 cows?

A I gave him 40% of the calves.

Q Yes, at \$40.00?

A Yes.

Q How much were the calves worth?

A Around \$100.00 each.

Q How many ---so that you gave him \$40.00 on each calf
that you had?

A I had 8 calves that is his that I bought.

Q That is the \$800.00?

A Yes.

Q Actually it was \$840.00?

A Yes.

Q And that is the 1959 calves. You bought those.
Did you or not, or were there calves with them?

A I bought the heifers in 1959.

Q In August?

A Yes.

Q There were no calves?

A No calves.

Q The calves were born in the spring of 1960?

A Yes.

Q Now, in 1960 you were not charged anything in the books so that you had calves in 1960?

A Yes.

Q And they didn't get around to charging you for them until April, 1961, and then you had calves again in 1961?

A Yes.

Q So on December 29th, 1961, they charged you for 1961 calves, and they you say in 1962 you ought---

A Yes.

Q You were supposed to pay for two calf crops?

A Yes.

Q And that is what has been done here. These are very confusing, but that is the way we figured it out. If what you tell us is correct that you were supposed to pay for two calf crops, that is what you did?

A Yes. \$840.00 each time.

Q Each year?

A Yes.

Q And that is what you have been charged with, and that was what was credited to Central Cattle?

A Yes.

MR. WEIR:

Q This is the one, December 29th, 1961, \$840.00. Do you see that entry?

A Yes, I see that. There are three entries there.

Q What is the other date, your Honour?

THE COURT: April 29th. That is before it.

MR. WEIR:

Q Now, there is another entry here that I am interested in, Mr. Meeks, and this is a credit to the Central Cattle Company---No, I had better ask you---are you acquainted with this particular transaction?

A No.

Q This is a credit to Central Cattle Company account of \$8,325.00, and it is marked sale of 37 cows and calves. You are not acquainted with that?

A No.

THE COURT:

Q Well there were 37 cows between you and---

A No, I had 20.

Q Yes.

A And Rex had some.

Q He had more than you?

A Yes.

Q But you never sold your cows?

A No.

Q But you did pay for them?

A Yes. they were charged.

Q When were they charged?

A In 1962.

Q Do you know what date?

Could you find that, Mr. Weir, and maybe that might help us. July the 11th.

MR. WEIR: C

Q \$4,500.00. Is that the entry?

A Yes.

Q 20 cows and calves?

A Yes.

THE COURT:

Q So that you bought the 20 cows and calves from Mr. Hatch?

A Yes.

Q And did you pay cash?

A No, they were charged to my account.

Q And they are credited to Central Cattle on the same day, July the 11th, 1962, \$4,500.00?

Yes.

So that the balance of your calves and your cows---
are you satisfied that the whole thing has been
properly accounted for?

Yes.

MR. WEIR: .

Q Here is another entry in the Central Cattle Company ledger. It is June the 11th, 1960. This shows a debit to Central Cattle Company and a credit to S. W. Hatch in the same amount of \$4,962.23. Now, I am getting confused. What would this be?

A This is Rex's card.

Q No, this is the Central Cattle Company. This is an account of Mr. Hatch. The one I am looking at now is June the 11th, 1962?

A I don't know.

THE COURT:

Q Do you know anything about that entry at all?

A No.

Q You had nothing to do with it?

A No.

Q You didn't become a partner in the Central Cattle Company, did you?

A No sir.

Q Did you know that such a name existed?

A No, not until this Hearing started.

Q I see. This was an isolated transaction, was it?

A As far as I know.

Q Between you and Mr. Hatch?

A Yes. Just a verbal agreement. There was nothing in writing.

Q And there were no other similar deals before or after?

A Well, not with me. I don't know of anybody else.

Q You didn't make any similar deals with Mr. Hatch on a cow/calf basis?

A No, just on the one.

MR. WEIR: I have no further questions.

THE COURT:

Q I was just going to ask Mr. Meeks---there has been some question raised in the December Hearing about branding. I don't know whether it is you or someone else that was mentioned that there was some discussion as to whether you had branded the association cattle or not. Was there any discussion about that with you?

A Well, not---you mean here?

Q No. Are you the person they were discussing that had not branded the cattle that were owned by the association?

A No, I have branded.

Q When did you brand?

A A year ago last December.

Q 1963?

A Yes.

Q And all your Association cattle were branded then?

A Yes.

Q And continued to carry the cleaver brand?

A Yes.

Q Is your account now cleared up?

A No, I still owe the Association.

Q And you still have some cattle?

A Yes.

Q That is all thank you. Are there any other questions?

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Do you know of anyone else who had cattle from Mr.
Hatch on this basis?

A Well, no, I don't know. Not unless Rex---I don't know
what Rex's dealings were.

Q That is all.

(WITNESS STANDS DOWN)

REX MEEKS, having first been duly
sworn, examined by Mr. Weir, testified as follows:

MR. PALMER: I am representing Mr. Rex Meeks
and again I would ask that this witness be given the
protection of the Canada Evidence Act and of the
Alberta Evidence Act.

THE COURT: The protection of the Canada
Evidence Act and the protection of the Alberta Evidence
Act will be given to Mr. Meeks.

MR. WEIR:

Q Your name is Rex Meeks?

A Yes

Q And you are from Raymond?

A Yes.

Q And your farm is located at Raymond?

A Yes.

Q How many acres have you on your farm?

A 420.

Q What about leased land?

A 3500 acres, approximately.

THE COURT:

Q Close to Glen's lease land?

A Yes.

Q Adjoining?

A Yes.

MR. WEIR:

Q Yet it is separate and distinct from his operation?

A Yes.

Q How many acres have you under cultivation?

A The biggest part of it has been cultivated and re-grassed, some of it.

Q The greater percentage has been under cultivation?

A Yes, and it has been re-grassed, and it is in hay land.

Q How many acres irrigated?

A About 100 acres irrigated.

Q What about the remaining part?

A Farm land and coulees.

Q What percentage is under cultivation?

THE COURT: Of his own land it is all, but not the lease land.

MR. WEIR:

Q I thought that he was using the same category for the amount under cultivation and under irrigation. I misunderstood.

All of the land that is under cultivation, is it irrigated?

A No, 100 acres. All but 40 would be under irrigation.

Q Now, when did you join the Lethbridge Central Feeders Association?

A Oh, I am a charter member. I don't know. When Mr. Aspland was there.

THE COURT:

Q In the 40's?

A Yes, it could be in the 40's.

MR. WEIR:

Q I'm showing you ledger cards of the Lethbridge Central Feeders Association marked "Rex Meeks", "Raymond"?

A Yes.

Q Have you seen these ledger cards before?

A I have never checked these ledger cards, only this is supposed to be the same, from 1960, I have it.

Q This document that you have here represents transactions from 1960 to the present time?

A Yes, taken from there. I had them make this out for me.

Q When was this?

A This fall.

Q This fall?

A Yes.

Q Had you looked at your account from time to time over the years as well?

A No. I just took for granted that everything was audited and was self-explanatory, and I have never bothered to re-check.

Q You never went into the Association office and looked at these ledger cards?

A No. I supposed that they balanced and they had been checked by the auditor and I assumed everything was in order.

Q And you received your statement from the auditors yearly and you were satisfied with the amount of the balance as being in accordance with what you understood it to be?

A I couldn't dispute it because I wasn't checking it.

Q But you did receive these statements?

A Yes.

Q Nothing appeared out of the ordinary, and you were satisfied?

A Yes. I've never checked them thoroughly to find out.

Q Did you keep books of your own?

A No.

THE COURT:

Q You must have kept some?

A Yes, some.

Q You must have filed income tax returns?

A Yes, I filed income tax returns.

MR. WEIR:

Q Now, Mr. Meeks, there are a few entries that we are concerned about, and we have heard about some of the entries already, Mr. Meeks?

THE COURT: If you would go back to these purchases.

MR. WEIR: Yes, that is what I was going to do.

Q Now, August the 5th, 1959, Edwin Palmer for account Central Cattle Company Limited, 19 heifers, \$3,325.00. Do you know anything about this particular transaction? Did you receive these 19 heifers?

A Yes, I did.

Q You did receive those?

A Yes.

Q And I show you the Central Cattle Company ledger card, and it is marked "R. Meeks"?

A Yes.

Q And of course in addition to the amount that we have just read in connection with these 19 heifers there are trucking charges, commissions, and insurance, making

a total of \$3,375.90?

A Yes.

Q And the amount that you just saw on the Central Cattle Company ledger card?

A Yes.

Q Now, on July the 8th, 1959, Fred Walburton for account Central Cattle company 17 cows, 17 calves, making a total of \$4,250.00, plus commission, making a grand total of \$4,284.00?

A Yes.

Q And then this item also appears in the Central Cattle Company ledger card under that same date in the amount of the total debit?

A Yes.

Q Now, did you receive these two lots that we have just gone through?

A Yes.

Q You received this last one?

A Yes.

Q You received the 17 cows and 17 calves?

A Yes, I received the cows, but at the time they didn't have calves. They were dry cows.

Q In any event you recall receiving one of these slips, I presume, a copy of this statement, and you are satisfied with the amount being charged to you?

A Yes.

THE COURT:

Q Does it show calves?

A It shows calves here. They didn't have them at the time.

Q What would happen to the calves on the 8th of July?

A Some of them had not calved.

Q Well, would you sell you the 17 cows and 17 calves if they had not calved?

A No, that is why I didn't know. Some of them had calved.

Q Any that had calved you got the calves?

A Oh, yes.

Q So in the final analysis you got 17 calves?

A Yes, if I kept the cows long enough..

Q So that you did get them?

A Yes.

Q Maybe some of them were not born then, but you got all the calves?

A Yes. That would be 17 cows and calves.

Q All right.

MR. WEIR:

Q Now, Mr. Meeks, I am going to show you two journal vouchers. One is number 143, dated April 29th, 1961, that you just heard me explain to Glen Meeks?

A Yes.

Q A debit to Glen Meeks of \$840.00 and a debit to yourself Rex Meeks, of \$1,440.00, and a credit to Central Cattle Company of \$2,280.00?

A That was when?

Q April 29th, 1961.

A Yes.

Q Would you like to look at the ledger card?

A No, I think that is correct.

Q Just check it. I don't know what is on your list. Would you like to check it from there or in your ledger card? Do you see that item there, April 29th, 1961, \$1,440.00?

A Yes.

Q That is a debit to your account, that \$1,440.00?

A Yes.

Q And just so that we have the two of them now, December 29th, 1961, a similar debit to you of \$1,440.00, but on this particular one marked number 201, journal voucher, this is marked 57 calves at \$40.00?

A Yes.

Q Now, does this help you refresh your memory as to the arrangement that you made with Mr. Hatch concerning the transaction?

A My total from---My total number of cows was not 57.

Q No, I'm not saying the total. We are saying the total involved, you and Glen Meeks, was 57 calves.

THE COURT:

Q You had 37?

A Yes.

Q So that that balances up?

A Yes.

MR. MOSCOVICH: It is nice and refreshing to see something that balances out.

THE COURT:

Q Did you get two calf crops?

A Yes.

Q And you gave Mr. Hatch 40% of them?

A Yes.

Q And you bought those calves of his?

A Yes.

Q And they were debited to your account?

A Yes.

Q And credited to Central Cattle?

A Yes, I suppose that is the way it was.

Q Actually what happened there was that Mr. Hatch's 40% was charged to your account and Central Feeders money used to finance them?

A I can't say that, I don't know.

Q It would have to come from somewhere?

A Yes.

Q And you dealt with Lethbridge Central Feeders?

A Yes, I am a member.

Q And it was charged to your Central Feeders Ledger Account?

A Yes.

Q So that the money must have come from somewhere?

A Yes.

Q And the suggestion is that it came from Lethbridge Central Feeders?

A Yes.

Q All right.

Let us go to the sale of these cattle.

MR. WEIR:

Q In Journal voucher number 276 dated July the 7th, 1962 there is a debit to you. That is to your Member's Ledger, and it is in the amount of \$8,325.00, and immediately beside it it says 37 at \$225.00, and then immediately underneath that you see credit to Central Cattle Company N.A.B., \$8,325.00?

A Yes.

Q And immediately underneath that again we have the notation--"sale of 37 cows and calves to Rex Meeks."

A Yes.

Q This is when they were sold?

A Yes.

THE COURT:

Q Now again you were charged up with it?

A Yes.

Q And somebody was credited?

A Yes.

Q And it was Mr. Hatch that sold you the cows?

A Yes.

MR. WEIR:

Q So that it does not seem surprising to you that you received the credit?

A Well, I am assuming so.

Q You see it right here?

A Yes, it is in the form.

Q We have another item, and the previous witness didn't have any knowledge about it, and I'm wondering if you can help us out. On June the 11th, 1962, we have a debit to the Central Cattle Company in the amount of \$4,962.23. And then a credit to S. W. Hatch of \$4,962.23, the same. Can you tell us anything about that?

A I have no knowledge of this particular entry.

Q And this particular entry, you have no knowledge of it?

A No. It is not on this file.

Q Have you any further specific questions on the ledger card, Your Honour?

THE COURT: I don't think so.

Q I don't suppose, Mr. Meeks, that either you or your brother had any bill with Charlton and Hill in the amount of \$585.00 charged to Central Cattle?

A No sir.

Q You wouldn't know anything about that?

A No. On July 20th. Have you got that?

Q ~~What~~ is that figure?

MR. WEIR: He is referring to an entry involving Owen King. The figure is different. Would you read your figure, Mr. Meeks.

THE WITNESS: July the 20th.

MR. WEIR:

Q What year?

A 1961.

Q Yes?

A \$1,308.50.

THE COURT:

Q Was charged or credited?

A It was charged to my account.

Q For what?

A I don't know.

Q And is there anything else? You said Owen King?

A Yes.

Q In what way is Owen King---just read it off.

A "July 20th, Owen King, \$1,308.50."

Q Is there a voucher number?

A No, not on this.

MR. WEIR: Number 1029.

THE COURT: 1029?

MR. WEIR: Yes.

THE COURT:

Q Well, we have not drawn your voucher so we can't tell you. We didn't think it was necessary to draw all your documents because all we want to talk to you about was this one particular item, and you can see the amount of work that it takes two people about one half a day to draw each persons vouchers because there are cheques, bills, sales, purchases, and these people have been working night and day to draw these things.

A I would like to have this account verified.

Q We can get it in a few minutes if you will go and phone Mr. Peterson if he is at the office.

A He wrote this up for me.

Q Yes. But you didn't ask him for this item?

A No, not that Owen one.

Q If you ask him to check July 21st, Owen King, 1029, he can find it for you in a few minutes. You have no idea what that is about?

A No, I don't.

Q Was Mr. King pasturing cattle or feeding on your pasture?

A Not to my knowledge.

Q Did you know that he was doing one or the other?

A No. I sold Mr. King cattle, and that is in there, but that was through the Central Feeders. He fed my steers. That is the only thing I've had with him.

Q Is that down there? Maybe that is what you should pay him for the gain?

A Yes, but this has been debited. It is not credited.

Q You were feeding or he was feeding?

A He fed my steers.

Q All right. So that you would have to pay him for the gain?

A No, he bought them outright and he fed them in his yard. I raised them and fed them through the Central Feeders.

Q You sold them through him?

A Yes.

Q There was no feeding arrangement?

A No. And this is a debit.

Q I am sure if you were down to the Feeder Office and asked Mr. Peterson to look up that item that he could find it for you in a few minutes, and either satisfy you or cause you further concern.

MR. WEIR:

Q Mr. Meeks, you have been a member of the Association for quite a while, a way back in the 40's?

A Yes.

Q Over the years have you had the cattle that you obtained through the association branded with the association brand regularly?

A Not at all times, no.

Q Did you have any discussion with certain members of the staff of Lethbridge Central Feeders Association concerning brands?

A To my knowledge I knew that they were supposed to be branded, but there are some purchases I made with borrowed money, other than association money, which when they went through the yards they put the association brand on, and cattle that I got, purchased with Central Feeders money, they were branded, and I also branded some at my place.

Q Well, are there any instances that you can recall of having obtained possession of cattle through the facilities of the Lethbridge Central Feeders Association and you failed to brand those cattle and you had subsequent conversations with members of the staff of the association concerning this failure to brand? Do you understand my question? You obtained possession of cattle by virtue of the association through the general course of your business activities through the association?

A Yes.

Q And you have had many dealings?

A Yes.

Q Now, were there instances over the years where you failed to brand some of the cattle that should have been branded with the association brand?

A Yes, I have never branded all of the cattle that I purchased. I have never branded all of them with the association brand. There might have been a few slip by.

Q Would there have been whole shipments of cattle?

A No. I have never bought a lot of cattle through the Lethbridge Central Feeders Association. I am a raiser. I raise the calves and then sell them.

Q Let us say that you obtained 10 steers through the association?

A Yes.

Q Would there have been instances with an order of 10 steers where you failed to brand any of these steers with the association brand?

A No. What I bought out of the yards was generally branded with the cleaver brand before they came out.

Q Did you have any conversation with Mr. Hatch^{or} with Mr. Nilsson?

A Not to my knowledge.

Q During which they expressed their annoyance that you did not brand as you were supposed to brand?

A No, not to my knowledge.

Q That is all.

THE COURT:

Q Are your---I don't know whether this is correct or not, Mr. Meeks but according to the report of the

auditors on the 31st of July, 1964, which is just a few months ago---

A Yes.

Q ---you were supposed to have 250 head of cattle on hand belonging to the association. Is that correct?

A No, that is not correct.

Q Well, at the time you owed about \$29,000.00, which would be about \$100.00 a head?

A Yes.

Q And you did not have cattle to that extent?

A No, not that many.

Q How many did you have?

A Well,---

Q Could I have a look at the ledger card. On December 16th of last year you got a cheque for \$15,160.00 from the association?

A Yes.

Q And that covered 60 cows and 100 calves, is that correct?

A Yes.

Q That is the last big purchase before November 20th, 1962. What happened to these 160, the 60 cows and 100 calves?

A I still have part of that. Part of those cattle have been sold and credited to Central Feeders.

Q About 7,500.00. About half?

A Yes. And the balance I still have.

Q You still have?

A Yes.

Q That will still leave you a pretty bad deficit?

A Well, ---

Q But you say that you did not, that you did not have 250 on hand last July?

A No.

Q How many did you sell in October and November, 36?

A Yes.

Q Any more?

A 20.

Q 20 more?

A Yes.

Q 56?

A Yes.

Q Well, you should have 100 left?

A Approximately.

Q Plus calves from the cows this year?

A Well, that, I didn't have a very good calf crop on my heifer end last year. We had too bad a spring and I didn't get too many calves on my heifers.

Q Are you satisfied as to the correctness of this account? Have you checked it?

A No, I think that that will have to be verified. I'm not satisfied with this.

Q Have you seen anything else in there except that \$1,308.00?

A Well, I didn't follow June 18th, 17---

Q What year?

A 1960.

Q Wait a minute now. June 18th you said?

A Yes.

Q No, I haven't any such entry. What entry is it?
What is the amount?

A \$680.00.

Q That is the---isn't that what we have just been
talking about?

A No, there is that item, and then on April 29th
transferred to Central Livestock Company, \$1,440.00.

Q What is the date?

A On April 29th, \$1,440.00.

Q What year?

A 1961. And again in 1961, another \$1,440.00.

Q You have agreed that these two are right?

A No, that is the calf crop in one year.

Q No, but you didn't pay for the '59 calf crop. Do
you remember I was discussing that with Glen that
you got these---

A Oh, it would be two in 1961. Well then, there are
17 calves here that I can't follow.

Q That may be correct, but \$680.00. This journal
entry, J 62, Mr. Weir. On the 18th of April, 1960
that is.

MR. WEIR: There is a debit on that day to Rex Meeks in the amount of \$680.00 and a Credit to Central Cattle of \$680.00 and it indicates under that "17 calves at \$40.00."

THE COURT:

Q That is another \$680.00 then that Mr. Meeks has paid for his cattle?

A It looks like it.

Q The calves would not be born then?

A No.

Q So that you, that must have been for your 17 calves that you say were not born when you got the cattle in 1959?

A Yes, that could be it.

Q Is that correct?

A Yes.

Q Well, that is interesting. Let us see if we can figure this out. Mr. Hatch went to Mr.---which one was it---Walberton or Palmer that you got the 17 from?

A Walberton.

Q And the total cost of those were \$3,375.90, And on the ledger it shows calves in addition?

A No, the Walberton account was more than that.

Q Yes, but the Walberton account said that you bought 17 cows and 17 calves for \$4,284.00?

A Yes.

Q And that is in the account?

A Yes, that is in the account on the ledger.

Q Now, have you been charged for those calves?

A In the \$1,1440.00?

Q No, in the \$4,284.00?

A Yes.

Q For the '59 cattle, 1959?

A Yes.

Q Which may or may not have been born?

A Yes.

Q But on---what date was it, April ---

A April 18th, 1960.

Q You were charged for it again?

A Yes.

Q For 17 calves?

A Yes.

Q They are very valuable?

A Yes. Good cows, two crops in one year.

Q Yes. And then I think that you had better look into that with the record. I don't know what good it will do you, but for your own satisfaction. Perhaps you should not be charged and you should be reduced on that date \$680.00, and if you add the interest on that from 1960 to now at 6%, compounded, it will reduce your account quite a bit. Is there anything

else?

A I thought there was three times here I've been charged.

Q You were charged twice for two calf crops?

A Yes.

Q But you say something else perhaps?

A I thought it was four charges I had on here.

Q Can you find another one? We didn't check these very carefully because all we were interested in was the dealings that you had with Mr. Hatch.

A On April 3rd, 1961, I don't know if this is correct, but I was charged again \$1,420.00.

MR. WEIR:

Q We have already gone through that. You have acknowledged this.

A That is the third time that the \$1,440.00 came up.

THE COURT:

Q What date?

A April 3rd, 1961.

Q Let us look at your account Mr. Meeks. That is 1962?

A Oh yes.

Q Mr. Weir, it looks like another \$1,440.00. But it not a Journal entry, it is a folio entry on number 2284. He is charged with another \$1,440.00 again. He has already been charged with two. Wait a minute now. When did you sell your cows? When did you buy them from Mr.-----

A In 1962.

Q What month?

A This is on that slip there.

June the 7th, 8325.

Q You bought them in June?

A Yes, June 7th.

Q Of 1962?

A Yes.

Q There may be an explanation but it looks to me like you paid for the cattle before on April the 3rd, but maybe we can get an explanation from someone else.

Have you an explanation Mr. Williams?

MR. JOHN WILLIAMS: I may have one in my file out here.

THE COURT: If you can find something perhaps you can get it. In the meantime you should check that. You may have more credits coming. What happened to that \$1,440.00? It didn't go into Central Cattle?

MR. WEIR: April the 3rd of what year?

THE COURT: 1962.

MR. WEIR: It is not marked in the Glen Meeks account.

THE COURT: Now, unless it is in the \$4,500.00, I don't know.

MR. WEIR: Your Honour, with the

exceptions of this last \$1,440.00 we are discussing would you like to ask Mr. Williams, or may I ask Mr. Williams if he can explain the first few entries ^{are} that we/having some trouble with here in this account? The item regarding the 17 calves, were they born or not.

THE COURT: Yes. Are we through with Mr. Meeks?

Q Mr. Meeks, you can check that Owen King matter, can you?

A Yes, I will.

Q And have you got this number, 2284, on April 3rd, 1962?

A Yes.

Q That is all thank you Mr. Meeks?

Maybe your visit today has been profitable. Oh, Mr. Meeks, you were not a member of the Central Cattle Company?

A Absolutely not.

Q You were not a partner?

A No sir.

Q That is all thank you.

(WITNESS STANDS DOWN)

JOHN WILLIAMS, having already been duly sworn, examined by Mr. Weir, testified as follows:

Q Mr. Williams, I'm showing this item we have just been discussing with Mr. Meeks involving 17 cows and 17 calves, and the total amount on invoice number 7404 being \$4,284.00. Can you help to explain this particular entry and the later entry involving the \$680.00?

A Your Honour, as I see this transaction those cows were purchased with very young calves in July of 1959.

Q Yes.

A And Mr. Meeks raised those calves for that first period, and as a consequence this particular, it was considered a calf crop.

Q All right. The bill shows 17 cows and 17 calves?

A This bill is charged to the Central Cattle Company. Mr. Meeks' deal was a share of the calf crop.

THE COURT:

Q The point is should he have been paid for the calf crop that is being born while the cattle were being delivered? What was he buying?

A Mr. Meeks never bought anything at that point. Central Cattle company bought some cattle which they placed with Mr. Meeks, and Mr. Meeks reared 17 calves in 1959, and Mr. Hatch was to have 40% of those 1959 calves raised. And then he should have purchased the 60 and the 1960 calf crop. But there should be the purchase of 17 calves, 40% of 17 calves from 1959, and then the 40% of 1960 and 1961 calves.

Q What happened to the money. It is not credited to Central Cattle. The item is voucher 2284?

A The purchase of the 17 calves took place on April 18th, 1960, in the amount of \$680.00, and credited to Central Cattle Company.

Q What date?

A The 18th of April, 1960.

Q And the amount?

A \$680.00.

Q So then he was charged with the 40%?

A On the 1959 calf crop.

Q So there are three calf crops?

A Yes.

Q Thank you. Can you tell me, Mr. Williams, this \$6,996.00, can you tell me, I think that you told us before, but I would just like to have you repeat where it started and where it went and how it ended up? How did it get out of here?

A In July, 1959, Mr. Owen King's account was credited. Mr. Owen King's account was credited and the Horace Jones account debited with \$6,600.00. Pardon me, that is wrong. The Owen King account was debited with \$6,600.00 and Horace Jones account credited with \$6,600.00. And that credit laid in Jorace Jones' account for a year. Now, a balance was reduced by this credit Mr. King was leaving in the Association.

Now, in July, July 31st, 1960, a \$6,600.00 plus the interest for a year of \$336.00 was added to the \$6,600.00, and Mr. Horace Jones' account was debited and this Central Cattle Company account was credited.

Q In other words, Mr. King's money now is in Mr. Hatch's account?

A Yes. Now, that was a recovery in the statement of 196 and set up as a credit to recover and a debit to Mr. Hatch.

Q In other words it stayed in there until March of 1964, and it is in the house settlement and so forth which was included?

A Yes.

Q Are there any other questions?

A That item that you just raised, the question of the \$4,962.00.

Q Yes.

A That was Mr. Hatch's account in the general ledger which was really paid off by the proceeds of these animals.

Q In other words Mr. Hatch owed \$4,962.20 on another account?

A Yes, in the general ledger.

Q In the general ledger?

A Yes.

Q And that money was taken from this account to clear off the other one?

A Yes.

Q Anything about the Charlton and Hill \$585.00?

A It is at this time that the, that that account became known to be Mr. Hatch's account, and it is a bill of his that was paid through here, and there was a cheque Mr. Hatch following that by/about a month of \$4,983.00.

Q So that the whole balanced out eventually?

A Yes.

Q Thank you.

(WITNESS STANDS DOWN)

WILLIAM MEEKS, having first been duly sworn, examined by Mr. Weir, testified as follows:

MR. PALMER: On behalf of Mr. William Meeks I ask the protection of the Alberta and Canada Evidence Acts.

THE COURT: It will be granted.

MR. WEIR:

Q Your name is William E. Meeks?

A Yes,

Q And you are from Raymond?

A Yes.

Q And you have a farm at Raymond?

A Yes.

Q And you became a member of the Lethbridge Central Feeders Association?

A Yes.

Q And this is the ledger card of the Association. Do you recognize this ledger card?

A I have seen those before, yes.

Q Have you seen them from time to time?

A Yes, the odd time.

Q How often would you have seen them in the run of a year?

A Maybe once or twice.

Q So over a period of 10 years how many times would you have seen them?

A Maybe 10 times.

Q Did you keep your own records in addition?

A No, I didn't keep records.

Q You received statements from the auditor?

A Yes.

Q And you were satisfied with the general accuracy of the account?

A Yes. The last one I got I wasn't.

Q What about the previous ones, with the exception of the last one?

A Yes, pretty well.

Q Now, Mr. Meeks, did you have cattle dealings with Mr. Hatch, the supervisor?

A No, no personal dealings.

Q None whatsoever.

A No.

Q Did you always have the cattle that you obtained through the association branded with the association brand?

A No, not always, no.

Q Did you---did members of the staff of the association complain to you at all about your failure to brand?

A No.

Q No one complained to you at all about your failure to brand?

A No. Only last year was the first year, and I branded all the calves that I sold them.

Q That is all the questions I have, Your Honour.

THE COURT:

Q You said that you were not satisfied with the account this year. What is wrong with it?

A Well, I was just, they had me a little too high.

Q In what way? I know we all get bills and we think that they are high?

A It was just a mistake on the books of about \$600.00.

Q They charged you too much?

A Yes.

Q And you got that adjusted?

A Yes, I adjusted it with Mr. Peterson two or three weeks ago.

Q Is that in your ledger account?

A It is in mine. I have a copy of it.

MR. WEIR:

Q There is no adjustment involving \$600.00. The last credit of \$600.00 is in October, 1963?

A That is not mine.

Q I beg your pardon. Here we are. I beg your pardon. W. E. Meeks, Raymond, there is an adjustment here of November 27th, 1964, \$624.94. Is that it?

A Yes.

Q Correction of December 31st interest?

A Yes.

THE COURT: Let me look at it.

That is all thank you.

(WITNESS STANDS DOWN)

THE COURT: With reference to Central Cattle, I would just like to read the minutes so we can refresh our memories. On the 14th of April, 1959, at a meeting of the Board of Directors the supervisor, and that is Mr. Hatch, discussed the stock cow company that he was in the process of organizing and described the function of it, and a rental agreement on cows. The Board discussed it thoroughly. Now, that is the one discussion. And then on the 15th of June at a Board Meeting the question was raised regarding the cow operation previously discussed, and a motion was moved by Dave Keeler, seconded by Paxman, that the Supervisor be a

shareholder only, and not active in the management, and that all business be transacted through the association in which a commission will be paid by the cattle company. Now, that was carried. I just thought I would read that resolution so we would not forget that Mr. Hatch did have the authorization of the Board of Directors to set up a cow/calf proposition on his own behalf, and it was thought that it would be done, and apparently it was done only to the extent that the two Meeks brothers obtained the cows with calves. Of course, the Board of Directors I don't think thought that Mr. King's money would be put in the operation. We will adjourn until 10:00 tomorrow morning.

(HEARING ADJOURNED AT 3:30 P.M. until 10:00 A.M. ON JANUARY 7th, 1965.)

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